Ecuador's President Announces Tax Increase to Fund Earthquake Recovery

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The president said Wednesday that in the coming hours a two-point increase will be decreed in value added tax (VAT) for a year, and a one-off 3 percent additional contribution on profits will also be decreed.

A one-time tax of 0.9 percent will be charged to "people with more than $1 million in assets", while workers will be required to contribute a day's worth of their monthly wages to the recovery efforts for a period of time based on their earnings.

"If you earn $1,000 (a month), your one-day wage will be deducted from your paycheck for just one month, if you earn $2,000, you will contribute your one-day wage for two months, and for those who earn more than $5,000, you will have to contribute your one-day wage for five months," said the president.

Correa said he will also look to sell some of the "many assets" possessed by the state.

The measures are being imposed "according to what the Constitution allows when state of emergency is declared," he said.

Ecuador declared a state of emergency on Saturday night, hours after the 7.8-magnitude quake struck, leaving at least 570 people dead, some 5,733 injured, and a further 163 missing, according to the public prosecutor.